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U.S. Rep. Brad Miller Introduces Legislation in Response to Big Banks Punishing Consumers with Higher Debit Card Fees

Miller Introduces the [Freedom and Mobility in Banking Act](#)

Washington, D.C. – Today, **U.S. Rep. Brad Miller (D-NC)** introduced *The Freedom and Mobility in Banking Act*

aimed at giving consumers a choice by modernizing and streamlining the opening and closing of personal checking and savings accounts. The bill is in response to major banks announcing that they will increase fees for consumers because of recent reforms that will affect their enormous profits.

“As megabanks flirt with menus of new fees, an increasing number of Americans will want to switch banks,” **Rep. Miller** said. “That is the way things work in a competitive, free market as unrepentant banks are still trying to rake in vulgar profits from their customers.”

Recently, HSBC North America has told customers that it is eliminating their free checking accounts which will now carry a monthly maintenance fee of up to \$15. Wells Fargo, one of the four largest consumer banks in the U.S., has also eliminated free checking. Most recently, Bank of America, one of the largest recipients of U.S. taxpayer bailouts, announced it would

charge customers a new \$5 monthly fee for using their debit cards – even if it's for a single \$2 purchase. B of A was already testing new “tiered” checking accounts that will encourage customers to increase their activity with the bank.

“Because of financial reforms, banks are unable to rely on the cash flow of practices like double-cycle credit card billing, compulsory overdraft programs, or unregulated debit swipe fees,” **Rep. Miller** said. “Bank executives are coming up with some innovative ways to protect their offensively large salaries.”

Unfortunately, consumers who might benefit from opening a new bank account or closing an old one are currently often dissuaded from doing so because of the considerable inconvenience it can entail.

The Freedom and Mobility in Consumer Banking Act increases competition among banks by guaranteeing consumers the right to close a personal checking or savings account with as little inconvenience as possible:

- Provides consumers the right to close an account at no charge
- Provides consumers the right to close an account at any time, regardless of whether the balance is positive, zero, or negative
- Provides consumers the right to close an account in person, by phone, or by other remote means as may be prescribed by regulation

Prohibits abusive fees and charges:

- Prohibits fees or charges from being assessed to an account after receiving a request to close an account

Requires banks to take reasonable steps to facilitate account closures:

- Requires institutions to notify consumers of preauthorized and recurring debits that hit their account for 30 days after a qualified account is closed
- Requires institutions to remit the balance in a closed account to the customer's new

account electronically if the consumer chooses

□ Prohibits banks from blacklisting consumers for failing to satisfy bank-generated fees assessed to an account at time of closure:

- Provides that consumers must be given at least 30 days to remit payment for an account that is closed with a negative balance before the institution can initiate any collection activity, or reporting to a third party
- Provides that where an account is closed with a negative balance that is *exclusively* the result of overdraft or other fees assessed to the account by the depository institution, the institution may not report the account as delinquent to ChexSystems or any similar specialty consumer reporting service.

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*** [See attched bill:](#)

[Freedom and Mobility in Consumer Banking Act FINAL July 27 2010 xml.pdf](#)

***The following consumer, civil rights, labor and industry groups support *The Freedom and Mobility in Consumer Banking Act*: Americans for Financial Reform, AFL-CIO, SEIU, NAACP, Consumer Federation of America, The Leadership Conference on Civil and Human Rights, Retail Industry Leaders Association